

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
300 CAPITOL MALL, 17TH FLOOR
SACRAMENTO, CALIFORNIA 95814**

FINAL STATEMENT OF REASONS

April 13, 2010

REG-2009-00006

COMMISSIONER'S REPORT ON UNDERSERVED COMMUNITIES

UPDATED INFORMATIVE DIGEST

All of the information contained in the Informative Digest is still accurate and is incorporated herein by this reference. There is no need to update any of the information contained in the Informative Digest for this matter. A Notice of Availability of Revised Text along with the Revised Text of the Regulation was sent to interested parties on February 12, 2010. The regulation was revised to incorporate some suggestions made during the public comment period. Specifically, the regulation was revised to specify that the regulations apply to policyholders as well as to applicants. In addition, the language of proposed subsection (e) was revised to specify that the penalties for noncompliance would apply only to those carriers writing automobile coverage pursuant to the regulation.

UPDATE OF INFORMATION CONTAINED IN INITIAL STATEMENT OF REASONS

On February 12, 2010, the Department issued a Notice of Availability of Revised Text. Public comments received in response to the originally noticed text of regulations suggested that, pursuant to the authority contained in Government Code section 11628, that the Commissioner was only authorized to impose penalties for noncompliance with the regulations, if at all, against those carriers reporting data for automobile insurance coverage. Accordingly, the Department amended subsection (e) of CCR 2646.6 of the proposed regulations to specify that penalties for noncompliance with the regulations would be imposed only against those carriers failing to report data for auto coverages subject to the regulation.

In addition, the Department took the opportunity to clarify that the regulations apply to policyholders as well as to applicants. This change was made to subsection (b)(6) of Section 2646.6.

UPDATE OF MATERIAL RELIED UPON

No material other than public comments, the transcript of the public hearing, the Notice of Availability of Revised Text, the Revised Text of Regulation, the declaration of mailing thereof, including 15-day Changes, this Final Statement of Reasons and the Final Text of Regulations has

been added to the rulemaking file since the time the rulemaking record was opened, and no additional material has been relied upon.

MANDATE UPON LOCAL AGENCIES AND SCHOOL DISTRICTS

The Department has determined that the proposed regulations will not impose a mandate upon local agencies or school districts.

ALTERNATIVES

The Commissioner has determined that there are no alternatives that would be more effective, or as effective and less burdensome to affected persons, than the proposed regulations. While alternatives were suggested during the public comment period, those alternatives were regarding portions of the regulation which the Commissioner did not propose to amend.

